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Per reftel request, this is Consulate General Hong Kong's submission on Hong Kong for the 2009 Country Reports on Terrorism. Point of contact is Jose Sandoval, Economic/Political Section, telephone: 852-2841-2126, e-mail address: sandovaljl@state.gov

Hong Kong

Hong Kong is neither home to nor does it support terrorist groups. However, Hong Kong's position as a major transit point for cargo, international finance, and people, coupled with its open trade and financial regime, make it a potential site for money laundering and terrorist financing activities.

Hong Kong is a close partner in the fight against terrorism. The Hong Kong Government successfully participated in the Secure Freight Initiative pilot project through its conclusion on April 30, 2009. The Container Security Initiative in Hong Kong remained effective and cooperation with Hong Kong Customs officials received continued praise from visiting USG delegations.

Hong Kong law enforcement agencies provided full support and cooperation to their overseas counterparts in tracing financial transactions suspected of links to terrorist activities, and participated in USG-sponsored training on financial crimes and strategic commodity identification, among other topics.

In October 2009, Hong Kong's police, fire, health, and other government services held emergency response drills simulating chemical, biological, radiological, and nuclear attacks. During the Hong Kong-hosted East Asia Games in December 2009, Hong Kong deployed its newly established police Counter Terrorist Readiness Unit (CTRU). In addition to providing a counterterrorist (CT) deterrent presence, the CTRU assisted police districts with CT strategy implementation and provided tactical and professional support to Hong Kong's existing specialist units, such as Hong Kong's Special Duties Unit and its VIP Protection Unit.

Hong Kong actively participated in various anti-money laundering and counterterrorist financing initiatives, including the Financial Action Task Force (FATF) and the Asia/Pacific Group (APG) on Money Laundering. Hong Kong is a member of the Egmont Group of Financial Intelligence Units, reporting through its Joint Financial Intelligence Unit operated by the Hong Kong Police and the Customs and Excise Department.

In response to recommendations stemming from the 2007 FATF and APG mutual evaluation of Hong Kong, authorities are drafting legislation to: increase supervision of money changers and remittance agents; create statutory requirements for customer due diligence and record-keeping in the banking, securities and insurance sectors; and establish civil penalties for these infractions. Legislation to establish government oversight for non-financial professions and to create a cross-border currency reporting mechanism is needed to address additional FATF recommendations.

